# Toronto District School Board Logo

# **Proposed Operating Budget Plan - 2019-20**

**To:** Regular Meeting

**Date:** 19 June, 2019

**Report No.:** 06-19-3694

# Strategic Directions

* Transform Student Learning
* Create a Culture for Student and Staff Well-Being
* Provide Equity of Access to Learning Opportunities for All Students
* Allocate Human and Financial Resources Strategically to Support Student Needs
* Build Strong Relationships and Partnerships Within School Communities to Support Student Learning and Well-Being

# Recommendation

It is recommended that:

1. the Proposed Operating Budget Plan for the 2019-20 school year be approved, including reductions in 2020-21 as outlined in Appendix A; and
2. it is understood that as part of this two year plan, that reserves will be used in 2019-20 to balance the revenues of the Board.

# Context

At the Committee of the Whole meeting on 11 June 2019, the Toronto District School Board (TDSB) trustees voted to recommend to the Board, staff’s modified proposed budget reductions needed to balance the 2019-20 Operating Budget. This recommendation includes the use of working fund reserves to offset the revenue shortfall in 2019-20 and further reductions to operating expenses in 2020-21. The Board will consider approving the proposed budget at its Regular Meeting on 19 June 2019. Trustees are required by law to approve a balanced budget by 30 June 2019.

The chart below provides a high-level summary of the proposed budget reductions and changes to program/service delivery. For additional information and a detailed description of each proposed reduction/change, please see Appendix A.

# Summary Chart – Proposed Budget Reductions and Changes to Program/Service Delivery

| **Department/Area** | **Amount****(Savings or Revenue Generated) Year 1** | **Amount****(Savings or Revenue Generated)Year 2** |
| --- | --- | --- |
| Learning Centres | $7.22 million | ($1.4) million |
| Senior Team | $2.34 million |  |
| Centrally Assigned Principals | $2.13 million |  |
| Central Administration | $5.38 million |  |
| Outdoor Education | $2.90 million | $1.51 million |
| Continuing Education – International Languages | $0.1 million |  |
| International Baccalaureate Program | $0.12 million | $1.54 million |
| School Budgets | $2.37 million |  |
| Student Support Services | $2.6 million | ($0.9) million |
| Leadership and Learning | $6.18 million | ($1.2) million |
| Information Technology Services | $1.0 million |  |
| International Visa Students |  | $2.0 million |
| Itinerant Music Instructors | $1.39 million |  |
| Profile Teachers and Administrative Support | $2.24 million |  |
| Secondary Vice-Principals | $0.92 million |  |
| Supplementary Teachers – French |  | $12.15 million |
| Supplementary Teachers – Gifted |  | $3.40 million |
| Facilities | $4.61 million |  |
| Transportation Services – French Immersion / Extended French and Gifted | $1.3 million | $4.4 million |
| Professional Development | $2.5 million | ($2.5) million |
| Supply Teacher Costs | $1.5 million |  |
| Lunchroom Supervisors |  | $2.0 million |
| **Totals** | **$46.8 million** | **$21 million** |
|  |
| **Total Savings or Revenue Generated (Year 1 and Year 2): $67.8 million** |

The recommendation in this Report from Committee of the Whole includes programs and services that were initially proposed to be reductions in the proposed balanced budget.

School boards across Ontario are facing unique challenges this year with balancing their operating budget because of millions of dollars in funding reductions by the Ministry of Education. At the TDSB, trustees face a $67.8 million budget shortfall that includes a $42.1 million cut in provincial government funding.

**Grant Changes Impacting the Board’s Financial Position**

|  |  |
| --- | --- |
| **Grant** | **Amount (millions)** |
| Early Childhood Education Funding | $(7.9) |
| Cost Adjustment  | $(9.9) |
| Grades 4 to 8 Class Size Funding  | $(9.6) |
| Human Resource Transition Support  | $(1.3) |
| Teacher Qualifications and Experience Grant  | $(13.4) |
| Transportation Grant Improvement  | $8.4 |
| Facilities Supplementary Area Factor  | $(3.9) |
| Reduction to Pupil Foundation Amount for International Students  | $(2.9) |
| PPF – Priority Schools Initiative – Free Permits  | $(1.6) |
| **Total Grant Changes**  | **$(42.1)** |

It is fair to say that both staff and trustees have realized that it is not possible to reduce the Board’s budget by $67.8 million without affecting staff or programs. We know the programs and services we provide to Toronto students are valued. That said, in proposing the reductions, staff has been careful not to target one area of the budget and wherever possible, tried to avoid eliminating programs and services. Trustees and staff have been listening carefully to the many budget presentations by the community (parents, staff and students) who have raised concerns over recommended proposed budget reductions and, as well, offered suggestions on how the Board could achieve savings to help balance the budget. During this process, changes have been made to staff's proposed budget reductions and in some cases, proposed reductions have been significantly changed and the impact minimized. Unfortunately, not all proposed reductions could be mitigated.

The 2019-20 budget process has been different from the last couple of years in two important ways. The first is the magnitude of the budget reduction, and in particular the provincial budget cuts, which only came to light after the Board had already started the budget consultation process. In two Ministry of Education notifications – one in mid-March and one in late April, the provincial government’s grant (revenue) reductions to the TDSB budget ballooned to $42.1 million. As the provincial cuts in grants to the TDSB escalated, trustees spoke out to their communities and the public through media and the Board sent letters to the Minister of Education and all government Toronto-area MPPs warning of the implications for programs and services and recommending that the grant reductions be reconsidered.

This abrupt and last minute grant reduction to the TDSB’s budget meant both staff and the trustees had to pivot to a budget strategy that focused almost exclusively on how to balance the budget. In short, staff needed to determine where to reduce spending with significant attention to the impact that reducing programs and services would have on students, schools, parents and staff. The budget reduction proposals were guided by the Board’s budget strategic drivers or priority budget areas, which were also influenced by extensive consultation with our communities that included more than 15,000 on-line comments.

The proposed budget reductions now before the Board have been arrived at over 20 meetings of the Finance, Budget and Enrolment Committee (FBEC). Many questions of clarification have been asked about the staff's proposed budget reductions and all have been answered. All questions and answers have been posted on the TDSB’s budget website. Collectively, trustees have made changes to the proposed budget reductions based on more than 100 public delegations and more than 250 written submissions as well as many meetings, calls and e-mails with constituents. Trustees have listened to many delegations, received hundreds of submissions and have been guided in their deliberations by the reaction of more than 15,000 on line comments about the budget drivers.

Staff has proposed a budget reduction plan to balance the budget based on sound judgement, a plan to manage the reductions in a way that poses the least possible impact for our students, parents, staff and the communities we serve. Trustees have spent almost two months evaluating and scrutinizing the proposed reductions and staff's year one and year two implementation plans.

Through the process, trustees have modified some proposed reductions, mindful of the concerns they have heard from parents, students and staff. It should also be noted that the proposed budget reductions will have less of an impact on programs and services for students and support staff because of the fact that there is a significant proposed budget reduction to central administration (e.g. Senior Team, Central Staff, Central Learning Centre Staff, and Centrally-assigned Principals) totaling approximately $17 million that includes staff reductions of seven Superintendents. That said, not all programs and services valued by community could be saved given the enormity of provincial cuts to the TDSB's budget.

Collectively, staff and trustees know there will be implications – there will be some service and program reductions and some services will have to be delivered differently to both reduce costs and to ensure that there is equity and fairness for students and parents when it comes to accessing programs and services.

While the focus of the Board’s attention has been on budget reductions, it is important to note that staff is proposing budget investments for the 2019-20 school year that in some cases exceed the Ministry’s grant allocation. For example, staff proposes investing more in Special Education than what the Ministry provides, maintaining funding for school and student safety, support for Early Years, Early Years Literacy & Intervention, Model Schools as well as important initiatives in Equity, Anti-Oppression and Anti-Racism.

Some of the delegations that appeared before FBEC have urged trustees to reject budget reductions. This is in spite of the trustees’ legal responsibility to submit a balanced budget plan to the Ministry.

Over the last 20 years, where school boards did not balance their budgets, a provincial supervisor was appointed.

While there are serious concerns over the magnitude of provincial budget reductions, Trustees’ decisions through this process have been careful to ensure that our parents, students and staff will have sufficient resources to continue to offer an outstanding education experience for our students. Only the Board of Trustees can ensure that budget reductions and service and program changes happen in the open with full transparency to the public – and in a way that ensures equity, opportunity, fairness and a plan to mitigate, as best as possible, the provincial grant reductions.

Through this process and into final decisions on the budget reductions, staff is of the view that the TDSB will not relinquish its role to continue to stand up for public education in Toronto and to be a leader in delivering high quality programs and services for the communities we serve.

### Action Plan and Associated Timeline

Board approval of a balanced budget is required to be submitted to the Ministry of Education by 30 June 2019**.** Once approved staff will load the budget into the Board’s financial system and provide Trustees with a detailed budget report in the first quarter of 2019-20.

### Resource Implications

Not applicable**.**

## Communications Considerations

Government, Public and Community Relations Department will continue to implement the budget communications plans as presented to the Finance, Budget and Enrolment Committee.

### Board Policy and Procedure Reference(s)

Not applicable.

### Appendices

* Appendix A: Proposed 2019-2020 Budget Reductions and Changes to Program/Service Delivery (Revised Appendix G)

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